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GOVERNMENT OF GOA

Department of Finance

Office of the Commissioner of Commercial Taxes

CCT/26-4/2017-18/E/852

Circular

(No. 2/2021-22-GST)

Subject: Clarification regarding applicability of GST on supply of food in Anganwadis and School-reg.

Representations have been received seeking clarification regarding applicability of GST on the issues as to whether serving of food in schools under Mid-Day Meals Scheme would be exempt if such supplies are funded by Government grants and/or corporate donations. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Entry 66 clause (b)(ii) of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017, exempts Services provided to an educational institution, by way of catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory. This entry applies to pre-school and schools.

3. Accordingly, as per said entry 66, any catering service provided to an educational institution is exempt from GST. The entry further mention that such exempt service includes mid- day meal service as specified in the entry. The scope of this entry is thus wide enough to cover any serving of any food to a school, including pre-school. Further, an Anganwadi interalia provides pre-school non-formal education. Hence, anganwadi is covered by the definition of educational institution (as pre-school).

4. Accordingly, as per recommendation of the GST Council, it is clarified that services provided to an educational institution by way of serving of food (catering including mid-day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66 (b)(ii)]. Educational institutions as defined in the notification include anganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by Government or through donation from corporates.

5. Difficulty if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular is issued under Central Goods and Services Tax Act, 2017 by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 149/05/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/853

Circular

(No. 3/2021-22-GST)

Subject: Clarification regarding applicability of GST on the activity of construction of road where considerations are received in deferred payment (annuity)-reg.

Certain representations have been received requesting for a clarification regarding applicability of GST on annuities paid for construction of road where certain portion of consideration is received upfront while remaining payment is made through deferred payment (annuity) spread over years.

2. This issue has been examined by the GST Council in its 43rd meeting held on 28th May, 2021.

2.1 GST is exempt on service, falling under heading 9967 (service code), by way of access to a road or a bridge on payment of annuity [entry 23A of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate)]. Heading 9967 covers "supporting services in transport" under which code 996742 covers "operation services of National Highways, State Highways, Expressways, Roads & streets; bridges and tunnel operation services". Entry 23 of said notification exempts "service by way of access to a road or a bridge on payment of toll". Together the entries 23 and 23A exempt access to road or bridge, whether the consideration are in the form of toll or annuity [heading 9967].

2.2 Services by way of construction of road fall under heading 9954. This heading inter alia covers general construction services of highways, streets, roads railways, airfield runways, bridges and tunnels. Consideration for construction of road service may be paid partially upfront and partially in deferred annual payments (and may be called annuities). Said entry 23A does not apply to services falling under heading 9954 (it specifically covers heading 9967 only). Therefore, plain reading of entry 23A makes it clear that it does not cover construction of road services (falling under heading 9954), even if deferred payment is made by way of instalments (annuities).

3. Accordingly, as recommended by the GST Council, it is hereby clarified that Entry 23A of notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) does not exempt GST on the annuity (deferred payments) paid for construction of roads.

4. Difficulty if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 150/06/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/854

Circular

(No. 4/2021-22-GST)

Subject: Clarification regarding GST on supply of various services by Central and State Board (such as National Board of Examination)-reg.

Certain representations have been received seeking clarification in respect of taxability of various services supplied by Centre and State Boards such as National Board of Examination (NBE). These services include entrance examination (on charging a fee) for admission to educational institution, input services for conducting such entrance examination for students, accreditation of educational institutions or professional so as to authorise them to provide their respective services. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Illustratively, NBE provides services of conducting entrance examinations for admission to courses including Diplomat National Board (DNB) and Fellow of National Board (FNB), prescribes courses and curricula for PG medical studies, holds examinations and grant degrees, diplomas and other academic distinctions. It carries out all functions as are normally carried out by central or state educational boards and is thus a central educational board.

3. According to explanation 3(iv) of the notification No. 38/1/2017-Fin(R&C)(12/2017-Rate), "Central and State Educational Boards" are treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students. Therefore, NBE is an 'Educational Institution' in so far as it provides services by way of conduct of examination, including any entrance examination, to the students.

3.1 Following services supplied by an educational institution are exempt from GST vide Sl. No. 66 of the notification No. 38/1/2017-Fin(R&C)(12/2017-Rate), dated 30-06-2017,

Services provided-

(a) by an educational institution to its students, faculty and staff;

(aa) by an educational institution by way of conduct of entrance examination against consideration in the form of entrance fee;

3.2 Similarly, services provided to an educational institution, relating to admission to, or conduct of examination is also exempt from GST [sl. No. 66 (b)(iv)-38/1/2017-Fin(R&C)(12/2017-Rate)].

3.3 Educational institutions are defined at 2(y) of the said notification as follows-

"(y) educational institution" means an institution providing services by way of,-

(i) pre-school education and education up to higher secondary school or equivalent;

- (ii) education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;
- (iii) education as a part of an approved vocational education course;";

Further, clause (iv) of Explanation of said notification reads as below:

- "(iv) For removal of doubts, it is clarified that the Central and State Educational Boards shall be treated as Educational Institution for the limited purpose of providing services by way of conduct of examination to the students"

4. Taking into account the above, the GST Council has recommended, to clarify as below:

- (i) GST is exempt on services provided by Central or State Boards (including the boards such as NBE) by way of conduct of examination for the students, including conduct of entrance examination for admission to educational institution [under S. No. 66 (aa) of notif. No. 38/1/2017-Fin(R&C)(12/2017-Rate)]. Therefore, GST shall not apply to any fee or any amount charged by such Boards for conduct of such examinations including entrance examinations.
- (ii) GST is also exempt on input services relating to admission to, or conduct of examination, such as online testing service, result publication, printing of notification for examination, admit card and questions papers etc., when provided to such Boards [under S. No. 66 (b) (iv) of notif No. 38/1/2017-Fin(R&C)(12/2017-Rate),].
- (iii) GST at the rate of 18% applies to other services provided by such Boards, namely of providing accreditation to an institution or to a professional (accreditation fee or registration fee such as fee for FMGE screening test) so as to authorise them to provide their respective services.

5. Difficulty if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.

Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 151/07/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/855

Circular

(No. 5/2021-22-GST)

Subject: Clarification regarding rate of tax applicable on construction services provided to a Government Entity, in relation to construction such as of a Ropeway on turnkey basis-reg.

Reference has been received for a clarification whether services supplied to a Government Entity by way of construction such as of "a ropeway" are eligible for concessional rate of 12% GST under entry No. 3 (vi) of Notification No. 38/1/2017-Fin(R&C)(11/2017-Rate) dated 30-06-2017. On the recommendation of the GST Council, this issue is clarified as below.

2. According to entry No. 3(vi) of notification No. 38/1/2017-Fin(R&C)(11/2017-Rate) dated 30-06-2017, GST rate of 12% is applicable, inter alia, on-

- "(vi) Composite supply of works contract as defined in clause (119) of Section 2 of the Central Goods and Services Tax Act, 2017, (other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above) provided to the Central Government, State Government, Union Territory, a local authority a Governmental Authority or a Government Entity, by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of-

- (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;"

2.1 Thus, said entry No. 3 (vi) does not apply to any works contract that is meant for the purposes of commerce, industry, business of profession, even if such service is provided to the Central Government, State Government, Union Territory, a local authority a Governmental Authority or a Government Entity. The doubt seems to have arisen in the instant cases as Explanation to the said entry states, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public

authorities. However, this explanation does not apply to Governmental Authority or Government Entity, as defined in clause (ix) and (x) of the explanation to said notification. Further, civil constructions, such as rope way for tourism development shall not be covered by said entry 3(vi) not being a structure that is meant predominantly for purposes other than business. While road, bridge, terminal, or railways are covered by entry No. 3(iv) and 3(v) of said notification, structures like ropeway are not covered by these entries too. Therefore, works contract service provided by way of construction such as of rope way shall fall under entry at sl. No. 3(xii) of notification 38/1/2017-Fin(R&C)(11/2017-Rate and attract GST at the rate of 18%.

3. Difficulty if any, may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.

Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 152/08/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/856

Circular

(No. 6/2021-22-GST)

Subject: GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS-reg.

Certain representations have been received seeking clarification whether composite supply of service by way of milling of wheat into wheat flour, alongwith fortification, by any person to a State Government for distribution of such wheat flour under Public Distribution System is eligible for exemption under entry No. 3A of Notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017, and also as regards the rate of GST on such milling, if it does not fall in said entry No. 3A. The issue has been examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Entry at Sl. No. 3A of Notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017 exempts "composite supply of goods and services in which the value of supply of goods constitutes not more than 25 per cent of the value of the said composite supply provided to the Central Government, State Government or Union territory

or local authority or a Governmental authority or a Government Entity by way of any activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution or in relation to any function entrusted to a Municipality under Article 243W of the Constitution".

3. As per the recommendation of the GST Council the issue is clarified as below.

3.1 Public Distribution specifically figures at entry 28 of the 11th Schedule to the constitution, which lists the activities that may be entrusted to a Panchayat under Article 243G of the Constitution. Hence, said entry No. 3A would apply to composite supply of milling of wheat and fortification thereof by miller, or of paddy into rice, provided that value of goods supplied in such composite supply (goods used for fortification, packing material etc.) does not exceed 25% of the value of composite supply. It is a matter of fact as to whether the value of goods in such composite supply is up to 25% and requires ascertainment on case-to-case basis.

3.2 In case the supply of service by way of milling of wheat into flour or of paddy into rice, is not eligible for exemption under Sl. No. 3A of Notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017 for the reason that value of goods supply in such a composite supply exceeds 25%, then the applicable GST rate would be 5% if such composite supply is provided to a registered person, being a job work service (entry No. 26 of notification No. 38/1/2017-Fin(R&C)(11/2017-Rate) dated 30-06-2017). Combined reading of the definition of job-work [Section 2(68), 2(94), 22, 24, 25 and Section 51] makes it clear that a person registered only for the purpose of deduction of tax under Section 51 of the Goa GST Act is also a registered person for the purposes of the said entry No. 26, and thus said supply to such person is also entitled for 5% rate.

4. Difficulty if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.

Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 153/09/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/857

Circular

(No. 7/2021-22-GST)

Subject: GST on service supplied by State Government to their undertakings or PSUs by way of guaranteeing loans taken by them-reg.

Certain representations have been received requesting for clarification regarding applicability of GST on supply of service by State Govt. to their undertakings or PSUs by way of guaranteeing loans. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Entry No. 34A of Notification No. 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30-06-2017 exempts "Services supplied by Central Government, State Government, Union territory to their undertakings or Public Sector Undertakings (PSUs) by way of guaranteeing the loans taken by such undertakings or PSUs from the banking companies and financial institutions."

3. Accordingly, as recommended by the Council, it is re-iterated that guaranteeing of loans by Central or State Government for their undertaking or PSU is specifically exempt under said entry No. 34A.

4. Difficulty, if any, in the implementation of this circular may be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 154/10/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/858

Circular

(No. 8/2021-22-GST)

Subject: Clarification regarding GST rate on laterals/parts of Sprinklers or Drip Irrigation System-regarding.

Representations have been received seeking clarification regarding GST rate on parts of Sprinklers or Drip Irrigation System, when they are supplied separately (i.e. not along with entire sprinklers or drip irrigation system). This issue was examined in the 43rd meeting of GST Council held on the 28th May, 2021.

2. The GST rate on Sprinklers or Drip Irrigation System along with their laterals/parts are governed by S. No. '195B' under Schedule II of notification

No. 38/1/2017-Fin(R&C)(1/2017-Rate) dated 30-06-2017 which has been inserted vide notification No. 38/1/2017-Fin(R&C)(6/2018-Rate) dated 24-01-2018 and reads as below:

S. No.	Chapter heading/sub-heading/tariff item	Description of goods	SGST rate
195B	8424	Sprinklers; drip irrigation systems including laterals; mechanical sprayer	6%

3. The matter is examined. The intention of this entry has been to cover laterals (pipes to be used solely with sprinklers/drip irrigation system) and such parts that are suitable for use solely or principally with 'sprinklers or drip irrigation system', as classifiable under heading 8424 as per Note 2 (b) to Section XVI to the HSN. Hence, laterals/parts to be used solely or principally with sprinklers or drip irrigation system, which are classifiable under heading 8424, would attract a GST of 12%, even if supplied separately. However, any part of general use, which gets classified in a heading other than 8424, in terms of Section Note and Chapter Notes to HSN, shall attract GST as applicable to the respective heading.

4. Difficulty, if any, may be brought to the notice of the undersigned immediately.

Hemant Kumar, IAS, Commissioner State Tax, Goa.
Panaji, 6th July, 2021.

Note: Similar circular under Central Goods and Services Tax Act, 2017 is issued by the Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 155/11/2021-GST dated 17th June, 2021.

CCT/26-4/2017-18/E/859

Circular

(No. 9/2021-22-GST)

Subject: Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification No. 38/1/2017-Fin(R&C)(134), dated 30th March, 2020-Reg.

Notification No. 38/1/2017-Fin(R&C)(134), dated 30th March, 2020 had been issued which requires Dynamic QR Code on B2C invoice issued by taxpayers having aggregate turnover more than 500 crore rupees, w.e.f. 01-12-2020. Further, vide notification No. 38/1/2017-Fin(R&C)(193)/1379, dated 12th May, 2021, penalty has been waived for

non-compliance of the provisions of notification 38/1/2017-Fin(R&C)(134) for the period from 01st December, 2020 to 30th June, 2021, subject to the condition that the said person complies with the provisions of the said notification from 1st July, 2021. Further, various issues on Dynamic QR Code have been clarified vide Circular No. 10/2020-21-GST, dated 24-03-2021.

2. Various references have been received from trade and industry seeking clarification on

applicability of Dynamic Quick Response (QR) Code on B2C (Registered person to Customer) invoices and compliance of notification 38/1/2017-Fin(R&C)(134), dated 30th March, 2020 as amended. The issues have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Commissioner, in exercise of its powers conferred under Section 168 of the Goa GST Act, 2017, hereby clarifies the issues in the table below:

- | | |
|--|---|
| 1. Whether Dynamic QR Code is to be provided on an invoice, issued to a person, who has obtained a Unique Identity Number as per the provisions of sub-section 9 of Section 25 of Goa GST Act, 2017? | Any person, who has obtained a Unique Identity Number (UIN) as per the provisions of sub-section 9 of Section 25 of Goa GST Act, 2017, is not a "registered person" as per the definition of registered person provided in Section 2(94) of the Goa GST Act, 2017. Therefore, any invoice, issued to such person having a UIN, shall be considered as invoice issued for a B2C supply and shall be required to comply with the requirement of Dynamic QR Code. |
| 2. UPI ID is linked to the bank account of the payee/person collecting money. Whether bank account and IFSC details also need to be provided separately in the Dynamic QR Code along with UPI ID? | Given that UPI ID is linked to a specific bank account of the payee/ person collecting money, separate details of bank account and IFSC may not be provided in the Dynamic QR Code. |
| 3. In cases where the payment is collected by some person other than the supplier (ECO or any other person authorized by the supplier on his/her behalf), whether in such cases, in place of UPI ID of the supplier, the UPI ID of such person, who is authorized to collect the payment on behalf of the supplier, may be provided? | Yes. In such cases where the payment is collected by some person, authorized by the supplier on his/her behalf, the UPI ID of such person may be provided in the Dynamic QR Code, instead of UPI ID of the supplier. |
| 4. In cases, where receiver of services is located outside India, and payment is being received by the supplier of services in foreign exchange, through RBI approved modes of payment, but as per provisions of the IGST Act, 2017, the place of supply of such services is in India, then such supply of services is not considered as export of services as per the IGST Act, 2017; whether in such cases, the Dynamic QR Code is required on the invoice issued, for such supply of services, to such recipient located outside India? | No. Wherever an invoice is issued to a recipient located outside India, for supply of services, for which the place of supply is in India, as per the provisions of IGST Act, 2017, and the payment is received by the supplier in foreign currency, through RBI approved mediums, such invoice may be issued without having a Dynamic QR Code, as such dynamic QR code cannot be used by the recipient located outside India for making payment to the supplier. |
| 5. In some instances of retail sales over the counter, the payment from the customer is received on the payment counter by displaying dynamic QR code on digital display, whereas the invoice, along with invoice number, is generated on the processing system being | In such cases, where the invoice number is not available at the time of digital display of dynamic QR code in case of over the counter sales and the invoice number and invoices are generated after receipt of payment, the unique order ID/unique sales reference number, which is uniquely linked |

used by supplier/merchant after receiving the payment. In such cases, it may not be possible for the merchant/supplier to provide details of invoice number in the dynamic QR code displayed to the customer on payment counter. However, each transaction i.e. receipt of payment from a customer is having a unique Order ID/sales reference number, which is linked with the invoice for the said transaction. Whether in such cases, the order ID/reference number of such transaction can be provided in the dynamic QR code displayed digitally, instead of invoice number.

to the invoice issued for the said transaction, may be provided in the Dynamic QR Code for digital display, as long as the details of such unique order ID/sales reference number linkage with the invoice are available on the processing system of the merchant/ supplier and the cross reference of such payment along with unique order ID/sales reference number are also provided on the invoice.

6. When part-payment has already been received by the merchant/supplier, either in advance or by adjustment (e.g. using a voucher, discount coupon etc.), before the dynamic QR Code is generated, what amount should be provided in the Dynamic QR Code for "invoice value"?

The purpose of dynamic QR Code is to enable the recipient/customer to scan and pay the amount to be paid to the merchant/supplier in respect of the said supply. When the part-payment for any supply has already been received from the customer/recipient, in form of either advance or adjustment through voucher/discount coupon etc., then the dynamic QR code may provide only the remaining amount payable by the customer/recipient against "invoice value". The details of total invoice value, along with details/cross reference of the part-payment/advance/adjustment done, and the remaining amount to be paid, should be provided on the invoice.

3. Circular No. 10/2021, dated 24-03-2021 stands modified to this extent.

4. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the undersigned.

Hemant Kumar, IAS, Commissioner State Tax, Goa.

Panaji, 6th July, 2021.

Note: Similar circular is issued under Central Goods and Services Tax Act, 2017 by the GST Policy wing, Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 156/12/2021-GST dated 21st June, 2021.

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